

S. 1217, COMMERCE-JUSTICE APPROPRIATIONS, 2000—  
SPENDING COMPARISONS—SENATE-REPORTED BILL—  
Continued

(Fiscal year 2000, in millions of dollars)

	General purpose	Crime	Manda- tory	Total
House-passed bill:				
Budget authority .....	29,460	4,150	523	34,133
Outlays .....	28,214	5,271	529	34,014

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.

The PRESIDING OFFICER. Under the previous order, the bill will be read the third time and passed.

The bill S. 1217, as amended, was read the third time, and passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. HOLLINGS. I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

### MORNING BUSINESS

Mr. GREGG. I ask unanimous consent the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

### THE MILLENNIUM DIGITAL COMMERCE ACT

Mr. LOTT. Mr. President, I rise to address the need for prompt action on S. 761, the Millennium Digital Commerce Act. Senator ABRAHAM has crafted a solid legislative measure that will promote continued growth in electronic commerce.

The Millennium Digital Commerce Act has 11 cosponsors including Senators WYDEN, TORRICELLI, MCCAIN, BURNS, FRIST, GORTON, BROWNBACK, ALLARD, GRAMS, HAGEL, and myself.

Mr. President, on June 23, almost one month ago, the Senate Commerce Committee unanimously approved and ordered S. 761 reported with an amendment in the nature of a substitute. This substitute is widely supported by the States, industry, and the administration. In fact, on June 22, the day before the mark-up, the Commerce Department issued a formal letter of support for this bipartisan measure.

Mr. President, I ask unanimous consent to have printed in the RECORD the Administration's letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE  
U.S. DEPARTMENT OF COMMERCE,  
Washington, DC, June 22, 1999.

Hon. JOHN MCCAIN,  
Chairman, Committee on Commerce, Science,  
and Transportation, U.S. Senate, Wash-  
ington, DC.

DEAR MR. CHAIRMAN: This letter conveys the views of the Department of Commerce on the substitute version of S. 761, the "Millennium Digital Signature Act," that we under-

stand will be marked-up by the Senate Commerce Committee. A copy of the substitute that serves as the basis for these views is attached to this letter.

In July 1997 the Administration issued the Framework for Global Electronic Commerce, wherein President Clinton and Vice President Gore recognized the importance of developing a predictable, minimalist legal environment in order to promote electronic commerce. President Clinton directed Secretary Daley "to work with the private sector, State and local governments, and foreign governments to support the development, both domestically and internationally, of a uniform commercial legal framework that recognizes, facilitates, and enforces electronic transactions worldwide."

Since July 1997, we have been consulting with countries to encourage their adoption of an approach to electronic authentication that will assure parties that their transactions will be recognized and enforced globally. Under this approach, countries would: (1) eliminate paper-based legal barriers to electronic transactions by implementing the relevant provisions of the 1996 UNCITRAL Model Law on Electronic Commerce; (2) reaffirm the rights of parties to determine for themselves the appropriate technological means of authenticating their transactions; (3) ensure any party the opportunity to prove in court that a particular authentication technique is sufficient to create a legally binding agreement; and (4) state that governments should treat technologies and providers of authentication services from other countries in a non-discriminatory manner.

The principles set out in section 5 of S. 761 mirror those advocated by the Administration in international fora, and we support their adoption in federal legislation. In October 1998, the OECD Ministers approved a Declaration on Authentication for Electronic Commerce affirming these principles. In addition, these principles have also been incorporated into joint statements between the United States and Japan, Australia, France, the United Kingdom and South Korea. Congressional endorsement of the principles would greatly assist in developing the full potential of electronic commerce as was envisioned by the President and Vice President Gore in The Framework for Global Electronic Commerce.

On the domestic front, the National Conference of Commissioners of Uniform State Law (NCCUSL) has been working since early 1997 to craft a uniform law for consideration by State legislatures that would adapt standards governing private commercial transactions to cyberspace. This model law is entitled the "Uniform Electronic Transactions Act" (UETA), and I understand that it will receive final consideration at the NCCUSL Annual Meeting at the end of July. In the view of the Administration, the current UETA draft adheres to the minimalist "enabling" framework advocated by the Administration, and we believe that UETA will provide an excellent domestic legal model for electronic transactions, as well as a strong model for the rest of the world.

Section 6 of the substitute ("Interstate Contract Certainty") addresses the concern that several years will elapse before the UETA is enacted by the states. It fills that gap temporarily with federal legal standards, but ultimately leaves the issue to be resolved by each state as it considers the UETA.

With regard to commercial transactions affecting interstate commerce, this section eliminates statutory rules requiring paper contracts, recognizes the validity of electronic signatures as a substitute for paper signatures, and provides that parties may decide for themselves, should they so choose, what method of electronic signature to use.

Another important aspect of the substitute is that it would provide for the termination of any federal preemption as to the law of any state that adopts the UETA (including any of the variations that the UETA may allow) and maintains it in effect. We note that this provision would impose no overarching requirement that the UETA or individual state laws be "consistent" with the specific terms of this Act; this provision, and its potential effect, will be closely monitored by the Administration as the legislation progresses. There is every reason to believe that the States will continue to move, as they consistently have moved, toward adopting and maintaining an "enabling" approach to electronic commerce consistent with the principles stated in this Act. We therefore believe that any preemption that may ultimately result from this legislation can safely be allowed to "sunset" for any state upon its adoption of the eventual uniform electronic transactions legislation developed by the states.

We also support limiting the scope of this Act to commercial transactions, which is consistent with the current approach of the draft UETA, and utilizing definitions in the Act that mirror those of the current draft UETA, which we consider appropriate in light of the expert effort that has been directed to the development of the UETA provisions under the procedures of NCCUSL.

With regard to section 7(a), the Administration requests that the Committee delete the reference to the Office of Management and Budget ("OMB"); there is no need for agencies to file duplicate reports. The report that the Secretary of Commerce is directed to prepare pursuant to section 7(b) will, of course, be coordinated with OMB.

The substitute version of S. 761 would in our view provide an excellent framework for the speedy development of uniform electronic transactions legislation in an environment of partnership between the Federal Government and the states. We look forward to working with the Committee on the bill as it proceeds through the legislative process.

The Office of Management and Budget advises that there is no objection to the transmittal of this report from the standpoint of the Administration's program.

Sincerely,

ANDREW J. PINCUS.

Mr. LOTT. Mr. President, the Millennium Digital Commerce Act provides a baseline national framework for conducting online business to business transactions. It is vital to interstate electronic commerce because it would provide legal standing for electronic signatures on contracts and other business transactions.

This common sense and timely legislation will help promote continued growth in electronic commerce. It is good for business, consumers, and the overall American economy.

While more than forty States have laws on the books concerning the use of authentication technology such as electronic signatures, the States have not yet chosen to adopt the same approach. This hodgepodge of State laws will undoubtedly have a chilling effect on e-commerce.

This Congress cannot and should not sit by and wait until the States coordinate this milieu of laws on electronic signatures. This delay would unnecessarily restrain the growth of our Nation's economic well-being.